Before the
Federal Communications Commission
Washington D.C. 20554

In the Matter of

Application by	)	
Qwest Communications International, Inc.	)	
For Authorization to Provide	)	
In-Region, InterLATA Services	)	WC Docket No. 02-314
In the states of Colorado, Idaho, Iowa	)	
Montana, Nebraska, North Dakota, Utah,	)	
Washington, and Wyoming	)	

COMMENTS OF WORLDCOM, INC.

Marc A. Goldman
JENNER & BLOCK, LLC
601 13th Street, N.W., Suite 1200
Washington, D.C. 20005

(202) 639-6000

Lori Wright
Lisa B. Smith
WorldCom, Inc.
1133 19th Street, N.W.
Washington, D.C. 20036

(202) 736-6468

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INTRODUCTION AND EXECUTIVE SUMMARY

Qwest suggests that only one narrow outstanding question remains in its pursuit of long distance authority for nine of the states in its 14-state region. But that's far from the case. Qwest's compliance with section 272 is a serious issue, but critical problems also remain with Qwest's OSS, Qwest's failure to file interconnection agreements in accord with section 252, its failure to offer customized routing, and its pricing.

Qwest's OSS contains more complexities and deficiencies than any other BOC's. As a result WorldCom experiences an astoundingly high level of rejects for its Neighborhood orders in the Qwest territory. WorldCom has discussed many of these problems in prior pleadings, but additional time and experience has given us a deeper insight into the very real problems in Qwest's OSS and the impact they have on our company and customers.

WorldCom entered the Qwest region selling its Neighborhood product on April 16 in partnership with Z-Tel and using Z-Tel's OSS. Because WorldCom wants to control the OSS itself and because it is more efficient to do so, WorldCom is now developing its own OSS to begin placing orders in the Qwest region. As its development proceeds, WorldCom has discovered a number of key issues that show that the Qwest OSS problems are even worse than WorldCom previously understood. In particular, Qwest's pre-order/order process is even more complex than WorldCom realized, the development process with Qwest is more difficult, and the deficiencies in Qwest's test environment are even greater.

The result of Qwest's OSS deficiencies is that CLEC customer service representatives must spend too long on the phone with customers, that CLECs must spend far too many resources on interface development, and that CLECs on average have a very high reject level.

WorldCom's reject rate remains more than twice as high in the Qwest region as in other states in which it is ordering through the Z-Tel systems. This is so even though WorldCom has deliberately maintained a relatively low order volume in the Qwest region. When WorldCom migrates to its own OSS early next year, it would like to dramatically expand its ordering volume. But this will depend in part on whether Qwest improves its OSS. As of today, it is highly doubtful that Qwest's OSS can handle a significant increase in orders.

Two simple changes – adoption of industry-standard migrate as specified and adoption of migrate by name and telephone number would significantly reduce the impact of Qwest's complex processes, although these changes would not eliminate all of the problems. All other BOCs have implemented industry-standard migrate as specified and migrate by name and TN. But Qwest continues to delay such implementation.

Qwest's response is that implementation of migrate by name and TN and migrate as specified are being handled through the change management process. But Qwest should have implemented these changes years ago. Under the change management process, these two changes will not be implemented until at least April 2003 – this is not soon enough. WorldCom escalated its change requests for these two functions, but Qwest's policies and procedures effectively precluded us from getting our changes implemented any sooner than April 2003, as discussed in detail below. In any case, there can be no excuse for Qwest's failure to have these functionalities in place before it filed this, its third section 271 application.

In addition, serious questions remain with regard to Qwest's compliance with sections 252 and 272 of the Act. The Commission does not have a sufficient basis on which to conclude that Qwest has filed all interconnection agreements with the state commissions. For example, Qwest still has not filed the oral agreement with McLeod in which Qwest provided 10 percent discounts to McLeod for all purchases across the 14-state region. There likely are other interconnection agreements Qwest has not filed as well, especially given Qwest's proclivity to enter into oral agreements[1] and the Commission's recent decision on Qwest's petition for declaratory ruling as to what constitutes an interconnection agreement. This decision rejects Qwest's view on the matter in key respects, and it is not at all clear that Qwest has complied with this recent guidance.

The Commission also should reject Qwest's establishment of a new long distance affiliate (Qwest LD Corp., or QLDC) as the mechanism by which Qwest will comply with section 272 of the Act. Given Qwest's past performance, there is not yet any basis for a predictive judgment that QLDC will comply with section 272. Moreover, Qwest in essence is attempting to circumvent the Act and the Commission's rules by seeking Commission approval of a long distance affiliate that is not the entity that Qwest actually plans on using on a permanent basis to sell long distance. The Commission should reject Qwest's application until the long distance affiliate through which it actually plans on selling long distance service (Qwest Communications Corporation, or QCC) is in compliance with section 272 and GAAP. If the Commission nevertheless grants Qwest's application, at the very least the Commission should require Qwest to obtain Commission approval of QCC's compliance with section 272 before Qwest can start using QCC to sell long distance. Otherwise, the QCC will have completely avoided the section 272 scrutiny required by the Act.

Finally, Qwest still has not provided WorldCom with customized routing in violation of the checklist, nor has it sufficiently reduced its UNE rates. For all the reasons described above,

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[1] *See, e.g.*, Dennis K. Berman, *Technology: Three Telecom Companies Testify They Cut Side Deals With Qwest*, Wall St. J., Sept. 25, 2002 ("Officials from those three companies [Global Crossing, FLAG Telecom Holdings Ltd. and Cable & Wireless PLC] testified that Qwest gave them the right to use their capacity as a kind of "gift certificate" to buy Qwest services, via side agreements made orally and in e-mails").

Qwest's application should be denied for Colorado, Idaho, Iowa, Nebraska, North Dakota, Montana, Utah, Wyoming, and Washington.

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Lichtenberg Decl., WC Docket No. 02-189	Declaration of Sherry Lichtenberg, attached to Comments of WorldCom, *In re Application by Qwest Communications International, Inc. For Authorization to Provide In-Region, InterLATA Services In the states of Montana, Utah, Washington, and Wyoming*, WC Docket No. 02-189 (FCC filed Aug. 1, 2002)

Lichtenberg Reply Decl., WC Docket No. 02-189	Reply Declaration of Sherry Lichtenberg attached to Reply Comments of WorldCom, *In re Application by Qwest Communications International, Inc. For Authorization to Provide In-Region, InterLATA Services In the states of Montana, Utah, Washington, and Wyoming*, WC Docket No. 02-189 (FCC filed Aug. 26, 2002)
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Qwest Aug. 13 *ex parte*	Letter from R. Hance Haney, Qwest, to Marlene H. Dortch, FCC, WC Docket No. 02-189 dated August 13, 2002
Qwest Aug. 26 *ex parte*	Letter from Oren G. Shaffer, Qwest, to Marlene Dortch, FCC dated Aug. 26, 2002.
WorldCom Comments, WC Docket No. 02-148	Comments of WorldCom, *In re Application by Qwest Communications International, Inc. For Authorization to Provide In-Region, InterLATA Services In the states of Colorado, Idaho, Iowa, Montana, Nebraska, North Dakota*, WC Docket No. 02-148 (FCC filed July 3, 2002)
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Docket No. 02-189 Reply	*Wyoming*, WC Docket No. 02-189 (FCC filed Aug. 1, 2002)

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For Authorization to Provide	)	
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In the States of Colorado, Idaho, Iowa	)	
Montana, Nebraska, North Dakota, Utah,	)	
Washington, and Wyoming	)	

COMMENTS OF WORLDCOM, INC. ON THE APPLICATION BY QWEST COMMUNICATIONS INTERNATIONAL, INC. TO PROVIDE IN-REGION, INTERLATA SERVICES IN THE STATES OF COLORADO, IDAHO, IOWA, MONTANTA, NEBRASKA, NORTH DAKOTA, UTAH, WASHINGTON, AND WYOMING

Qwest's application for Colorado, Idaho, Iowa, Montana, Nebraska, North Dakota, Utah, Washington, and Wyoming should be rejected. First, Qwest's OSS contains deficiencies not confronted in any other region and that seriously impair competitors' ability to compete. Two relatively simple changes – industry-standard migrate as specified and migrate by name and telephone number – would improve Qwest's OSS in important respects. Second, the Commission should not find that Qwest is in compliance with section 272 of the Act. Third, serious questions remain with regard to Qwest's compliance with section 252 of the Act. Fourth, Qwest's pricing remains excessive. Finally, Qwest still is not providing customized routing as required by the Act and Commission precedent.

I. QWEST STILL HAS NOT FIXED NUMEROUS OSS DEFICIENCIES

The fundamental deficiencies in Qwest's OSS that WorldCom described in the course of Qwest's prior section 271 filings have not been fixed, and other key OSS deficiencies have become apparent. These deficiencies harm CLEC customers, reduce the number of customers to whom a CLEC can offer service, force CLEC representatives to spend far too long on the phone with customers, and force CLECs to expend far too many resources on OSS development.

WorldCom entered the Qwest region selling its Neighborhood product on April 16 in partnership with Z-Tel and using Z-Tel's OSS. Because WorldCom wants to control the OSS itself and because it is more efficient to do so, WorldCom is now developing its own OSS to begin placing orders in the Qwest region. As its development proceeds, WorldCom has discovered a number of key issues that show that the Qwest OSS problems are even worse than WorldCom previously understood. In particular, Qwest's pre-order/order process is even more complex than WorldCom realized, the development process with Qwest is more difficult, and the deficiencies in Qwest's test environment are even greater.

WorldCom's reject rate remains more than twice as high in the Qwest region as in other regions. In fact, in the weeks of September 27 and October 4, WorldCom's reject rate in the Qwest region was approximately 40%! Lichtenberg Decl. ¶ 12. This is so even though WorldCom has deliberately maintained a relatively low order volume in the Qwest region. No other CLEC is placing a high volume of UNE-P orders via EDI either. When WorldCom migrates to its own OSS early next year, it would like to dramatically expand its ordering volume. But this will depend in part on whether Qwest improves its OSS. As of today, it is highly doubtful that Qwest's OSS can handle a significant increase in orders. Lichtenberg Decl. ¶ 22.

A. Qwest's Pre-Ordering/Ordering Process is Far Too Complex

We have previously described the steps a CLEC must take before submitting a migration order in the Qwest region and how these are much more complex than for any other BOC.[2] We reiterate this description briefly here and include additional information we have learned.

First, unlike in any other BOC region, a CLEC must submit an address validation inquiry in order to obtain critical information (i.e., the address) that is used to access the Customer Service Record ("CSR") and that also must be included on an order. Use of this function is time-consuming especially because Qwest often returns more than one address, and the CLEC customer service representative must determine the correct address in consultation with the customer. Lichtenberg Decl. ¶ 4.

Second, the CLEC must access the CSR. Unlike in other BOC regions, Qwest often returns multiple CSRs to the CLEC. Qwest itself acknowledges that multiple CSRs are returned 3.1 percent of the time through IMA 10.0, 4.8 percent of the time through IMA 9.0, and 5.0 percent of the time through IMA 8.0.[3] If a CLEC actually has the ability to display these multiple CSRs to its customer service representatives, the representatives will have to choose the correct CSR in consultation with the customer. But for a CLEC using EDI to display multiple CSRs to its customer service representatives would require significant OSS development and would waste a lot of storage space in the CLEC's systems. Lichtenberg Decl. ¶ 8. WorldCom therefore has determined that it simply will not accept customer orders in instances where Qwest returns multiple CSRs, even though this obviously will result in loss of important business and

[2] WorldCom Comments, WC Docket No. 02-189 at 4-7.
[3] Qwest Aug. 13 *ex parte*. It is unclear why the percentage of multiple CSRs that are returned should vary by IMA version.

anger potential customers. Qwest must modify its systems so that it provides to CLECs only the most current CSR.

Third, unlike in any other BOC region, a CLEC must obtain feature information from the CSR to place on every order. When a CLEC places an order in any other BOC region, the CLEC lists only the features the customer wishes to purchase from the CLEC. In listing the customer's desired features in the Qwest region, however, the CLEC must differentiate between features the customer already has and features the customer would like to obtain for the first time. In other words, Qwest does not offer industry-standard "migrate-as-specified." This greatly complicates the ordering process as the CLEC must rely on the CSR to determine the features the customer already has. Lichtenberg Decl. ¶ 9.

Indeed, the CLEC must identify not only the customer's existing features but also the existing feature identifiers ("FIDs"). FIDs provide the detailed information associated with a particular feature. For example, one of the FIDs associated with call forwarding identifies the number a customer wants his calls forwarded to. In other regions, the CLEC would simply list this number. But in the Qwest region, if the customer already has call forwarding, the CLEC must indicate this fact and also list the old "forwarded to" number as well as the new number. Because there are multiple FIDs generally associated with each feature, the need to sort through existing FIDs adds even more complexity to the ordering process. Lichtenberg Decl. ¶ 10.

Moreover, as WorldCom has developed its interfaces, it has become clear that Qwest's requirements apply not only to migration orders but also to orders for customers who were never Qwest customers. For example, if a new customer orders phone service from WorldCom and later wishes to change a feature or FID, WorldCom must designate whether the feature is an existing feature or a new feature. If the customer wishes to change a FID such as a call forwarding number, the CLEC would have to list both the old call forwarding number and the new number – even though the customer was never a Qwest customer. Although CLECs will, of course, already have this information for their own customers, it nonetheless adds extra steps to the development process to force CLECs to include this information on their orders. Lichtenberg Decl. ¶ 11.

The impact of Qwest's failure to provide industry-standard migrate as specified is substantial. The CLEC must spend development resources attempting to integrate into the ordering process the feature information pulled at the pre-order stage. Moreover, the pre-order process will of necessity take longer in Qwest than elsewhere, as the customer service representative waits for the necessary information to be pulled from the CSR. Pulling this information is further complicated because Qwest uses non-standard fields for features and feature details at the pre-order stage that have to be matched to Qwest's ordering fields. Lichtenberg Decl. ¶ 13; Lichtenberg Reply Decl., WC Docket No. 02-189 at ¶ 6. No other ILEC does this. In addition, Qwest buries the telephone numbers associated with a customer inside the feature information, unlike any other ILEC. This means that the CLEC must program its systems to go into every feature, extract the telephone number, and then go through again and extract the feature information. Lichtenberg Reply Decl., WC Docket No. 02-189 at ¶ 6. On average, it is taking 15 more seconds for WorldCom (through Z-Tel) to process CSR information in the Qwest region than in other regions – a critical difference in a mass markets environment that depends on volume. *Id*.

In addition, if the CSR is incorrect, or if the CLEC does not determine perfectly the features the customer currently has, the order will reject. Despite use of ostensibly integrated pre-order and order interfaces, issues related to features are still responsible for 15.5% of the rejects WorldCom is experiencing. Lichtenberg Decl. ¶ 12. Further, despite Qwest's claim that it returns CSRs in parsed format that allows integration, Qwest does not do so for information needed on more complex orders. Hunting information, directory-type information, PIC information, DID information and pulsing and signaling information is not returned in parsed format. Other fields for directory listing are parsed, but they differ substantially from industry standards and require extensive development work by the CLEC. Lichtenberg Decl. ¶ 14.

Fourth, the CLEC has absolutely no choice but to access the address validation function and CSR. In other regions, if the BOC's pre-order functions are unavailable or the customer's order is particularly simple, the CLEC can submit an order based on information obtained from the customer. The order may reject if the customer provides incorrect information, but the option nonetheless exists. In Qwest, however, this appears to be impossible. Even if the CLEC could obtain the information from the customer (something that would be rare in any event in Qwest due to the complex information needed on an order), it appears that Qwest rejects orders if the CLEC does not perform pre-order queries. WorldCom has received more than 700 rejects on migration and account maintenance orders stating that no pre-order inquiry was performed. Lichtenberg Decl. ¶ 5. Thus, although Qwest has indicated to WorldCom that neither an address validation inquiry nor CSR inquiry is absolutely required, it appears that they are indeed required. As a result, if Qwest's pre-order systems are down, or if a customer does not allow the CLEC to access his CSR because it contains CPNI, or customer proprietary network information, the CLEC has no way to place an order. Qwest should not attempt to guide what transactions CLECs employ in their ordering cycle. This should be an internal CLEC decision.

Fifth, the CLEC must perform a separate directory listing inquiry. In other BOC regions, the CLEC obtains the directory information needed for an order from the CSR. But in Qwest, an entirely separate inquiry is needed. Lichtenberg Decl. ¶ 4. This adds more development work and yet more time to the pre-order stage while the customer is on the phone. Again we underscore the importance in a mass market environment of completing transactions rapidly. Customers forced to wait for a long time on the phone will not be happy with their first interaction with a CLEC. Moreover, in a market with low margins, it is also vital financially to the CLEC to complete orders quickly.

Sixth, as we have described at length previously, in submitting the order, the CLEC must include the customer's complete service address – unlike in any other BOC region. This significantly increases the likelihood of rejects. Rejects related to customer address are responsible for 22.5% of the rejects that WorldCom receives. Lichtenberg Decl. ¶ 12.

Seventh, if the CLEC wishes to submit a supplemental order to Qwest to change the features for a customer, the CLEC must wait until Qwest has updated the CSR to reflect the CLEC's ownership of the account. Qwest has told WorldCom that this typically takes five days and often more. This is entirely unacceptable. Customers frequently request new features soon after migration, as they change their mind about what they would like on their account.[4] Qwest is rejecting hundreds of WorldCom supplemental orders on the basis that the account ownership is in conflict and/or the account is newly converted. This indicates that although the CLEC has received a completion notice from Qwest, the CSR has not yet been updated. The delay in updating the CSR also impacts billing. Since daily usage information is not sent to the CLEC until the CSR is updated, CLEC customers may be late-billed by the CLEC or double-billed by the CLEC and Qwest. Other BOCs update the CSR within 24 hours after completing the work

[4] Qwest has actually provided WorldCom three different answers in recent weeks as to the length of time required to update a CSR.

requested by the CLEC (unless they are delayed by internal billing discrepancies). Lichtenberg Decl., WC Docket No. 02-189 at ¶¶ 50-51.

Eighth, even when submitting a supplemental order long after submitting an initial order, it appears that CLECs must again access to the customer's CSR. WorldCom has previously detailed its understanding that a customer code is required on every order, including a supplemental order, and that the CLEC must retrieve this code from the CSR at the time of ordering because the customer code changes over time.[5] This understanding was based on information that Qwest provided Z-Tel to explain rejects that Z-Tel received on supplemental orders. But as WorldCom has undertaken development, Qwest has provided inconsistent information regarding customer codes, at one point explaining that a customer code is never required but at other points providing different information. Indeed, the primary cause of WorldCom rejects in recent weeks has been that "no CSR is found," and Qwest has again explained that the reason for these rejects is that WorldCom included the customer code that was on the CSR when the customer was a Qwest customer, rather than the new customer code. Lichtenberg Decl. ¶¶ 27-28. WorldCom's EDI developers have not found any specifications delineating the need to include customer codes on orders or describing where they should be placed on the LSR. Thus, it remains unclear to WorldCom whether its EDI development should include a customer code and whether it needs to access CSRs to submit supplemental orders. Qwest's inability to provide full and accurate information on its EDI requirements is a significant problem. And if there is a requirement that the CLEC include the customer code, then this too is a real problem. Once a customer is a CLEC customer, the CLEC should not have to access Qwest's systems to obtain information needed to place an order for that customer. That is why the CLEC maintains its own databases.

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Each of these eight requirements differentiates Qwest from other BOCs, and each contributes to the complexity of Qwest's pre-ordering and ordering process. The result is that CLEC customer service representatives must spend too long on the phone with customers, that CLECs must spend far too many resources on interface development, and that CLECs on average have a very high reject level. Two simple changes – adoption of industry-standard migrate as specified and adoption of migrate-by name and telephone number[6] ("migrate by name and TN") would significantly reduce the impact of Qwest's complex processes, although these changes would not eliminate all of the problems.[7] All other BOCs have implemented industry-standard migrate as specified and migrate by TN.

Qwest has argued that implementation of these changes is not a prerequisite to section 271 authorization. First, Qwest says that some CLECs have been able to integrate pre-order and order interfaces and have achieved relatively low reject rates, as did HP during testing.[8] But this response ignores the increased development expenses for CLECs, the additional time CLECs must spend on the phone with each customer, and the difficulties caused by Qwest's return of multiple CSRs. Lichtenberg Decl. ¶ 13. In addition, the one or two CLECs that have achieved relatively low reject rates on EDI orders are aberrational, and the relatively low reject rates may result from the types of orders they are placing, which Qwest does not describe. Qwest's own

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[5] WorldCom Comments, WC Docket No. 02-189 at 5-6.

[6] When WorldCom refers to migrate by TN, we actually mean migrate by TN and customer name, or migrate by TN and street address number. Some information beyond the telephone number is needed to ensure that the correct account is required but far less than the full street address. Qwest had originally requested that we amend our request to migrate by name and customer code but the problems with the customer code and Qwest's inability to tell us how to construct one made this impossible.

[7] Implementation of these changes would reduce rejects and development efforts. But CLECs would still have to perform a separate directory listing inquiry. When information from the CSR was needed, they would still have deal with the problem of multiple CSRs. They would still be unable to submit supplemental orders before the CSR was updated. And other problems would remain as well.

[8] Qwest Aug. 14 *ex parte.*

data show that typical CLECs have a high reject rate. The fact that WorldCom's reject rate in placing orders through Z-Tel's systems is more than twice as high in the Qwest region as elsewhere underscores the difficulties caused by Qwest's processes.

Qwest next argues that it was not until June that WorldCom and Z-Tel requested in change management migrate by name and TN and migrate as specified.[9] But WorldCom made these requests soon after entering the market and immediately after it came to understand the complexity of Qwest's processes. WorldCom's market entry was delayed, however, as a result of the sky-high UNE rates that existed until recently. Lichtenberg Decl. ¶ 15.

Qwest points to the fact that WorldCom escalated its request for migrate by name and TN and migrate as specified, but that other CLECs voted against this request.[10] But Qwest forced this result. Here is what happened. The change management process allows for escalations in certain circumstances through a unanimous vote. As soon as Qwest suggested in a filing before this Commission that the escalation process could be used to expedite WorldCom's change requests, WorldCom made an escalation request that both migrate by TN and migrate as specified be implemented by the end of 2002. Qwest responded that it would be possible to implement both changes in January 2003, but if it did so, the January release containing these changes would be considered a major release. As such, Qwest said, it would result in earlier sunset of release 10.0. Because Qwest already had received a change request from some CLECs to extend the sunset of release 10.0, it knew that its position would prevent a unanimous vote in favor of escalation. CLECs that had coded to release 10.0 and were not ready to migrate off of it could not agree to escalation of WorldCom's change requests. Lichtenberg Decl. ¶¶ 16-18.

[9] Qwest III Brief, WC Docket No. 02-314, Addendum, "Status of Conversion as Specified and Migrate by TN Change Requests."
[10] *Id.*

But there was no reason that Qwest had to force CLECs into this Hobson's choice. Qwest could have agreed to implement migrate by name and TN and migrate as specified in November as part of release 11.0, which was already scheduled. Qwest also could have implemented these changes in January as part of a maintenance release – as a modification to an existing version of Qwest's interfaces. This is what other ILECs have done. Lichtenberg Decl. ¶¶ 18-19. By adding the changes to existing interface versions, the changes would not have led to creation of a new EDI version and would not have impacted the sunset date for release 10.0. Alternatively, Qwest could have implemented the change requests as part of a major release, but agreed that this would not result in earlier sunset of release 10.0. In other words, Qwest could have agreed to temporarily maintain one additional version of EDI. But Qwest refused to do so. Qwest therefore forced some CLECs to vote against the escalation and cannot point to the vote of those CLECs as justification for its failures. In any event, even if all CLECs voted in favor of escalation, the escalation request would not have passed, because Qwest itself voted against it. Lichtenberg Decl.¶ 21.[11]

More fundamentally, Qwest cannot blame CLECs for basic failings in its OSS. The fact is that Qwest could have adopted a much more streamlined pre-order and order process years ago, as did every other BOC.[12] Qwest chose not to do so. And the fact that important systems defects may eventually be resolved through change management does not warrant approval Qwest's section 271 application today. Otherwise, a BOC could apply for section 271 authorization without undertaking any significant OSS development but point to its change

[11] Qwest continues to maintain that WorldCom's change requests are "targeted" for April – after WorldCom has moved to its own interfaces -- while providing no guarantees of an April implementation.

[12] Indeed, Qwest itself had an industry standard migrate as specified process until it unilaterally decided to eliminate it without announcing the change to CLECs. Qwest refused to reinstate this process despite Eschelon's protests.

management process as a vehicle for ensuring that acceptable OSS eventually is put in place. Promising future improvements does not substitute for adequate OSS today.

Qwest must dramatically simplify its pre-ordering and ordering processes before it is authorized to provide in-region long distance service. As of today, its OSS does not provide a mass market CLEC with a meaningful opportunity to compete.

B. Qwest Makes Development of Interfaces Far Too Difficult

As we have explained, the complexity of Qwest's systems adds substantially to the expense and difficulty of developing interfaces in the Qwest region. Qwest's requirements regarding features, its failure to parse some elements on the CSR, and its multiple pre-order transactions all complicate interface development. The difficulties are magnified by the inadequacy of Qwest's documentation.

As it proceeds with EDI development, WorldCom has found hundreds of instances of incomplete or inaccurate business rules. For example, many conditional fields have no corresponding business rule. A conditional field is one that the CLEC must fill in under certain designated circumstances. But Qwest's business rules do not specify what CLECs should do when the field does not have to be filled in – whether it is prohibited for CLECs to fill in the field or whether it is optional. Moreover, when WorldCom has asked Qwest to provide the business rules, it has been unable to do so, leaving WorldCom without the information it needs to code. Lichtenberg Decl. ¶ 30.

As a result, in many instances, WorldCom is coding by trial and error. WorldCom is submitting different test orders, determining which works, and coding based on the results. WorldCom will likely have to recode when it finally receives the actual business rules or when it submits these transactions in the production environment rather than in SATE. In the interim, WorldCom's reject levels are likely to be significantly higher than they otherwise would be, and development expenses will be higher as well. Lichtenberg Decl. ¶ 32.

WorldCom's Information Technology group believes that Qwest's documentation is at about the stage of Verizon's OSS in 1998 before Verizon vastly improved its documentation. Lichtenberg Decl. ¶ 30. This is not acceptable for OSS in 2002.

C. Qwest Does Not Provide Necessary Ordering Information in Idaho

One specific example of Qwest's documentation deficiencies that causes an independent problem concerns the state of Idaho. Different Universal Service Order Codes are required to place orders in the Northern part of Idaho than in the Southern part. But Qwest has been unable to provide WorldCom the geographic boundaries for the two regions. Qwest directed us to their tariffs, but the tariffs do not provide the common language location identifiers (CLLI) that show what switches are in each part of the state. As a result, WorldCom does not have the information needed to program its systems so that orders are placed using the correct USOCs. Lichtenberg Decl. ¶ 31.

D. Qwest Transmits "Jeopardies for Reject Reasons" After FOCs

WorldCom has learned additional information about Qwest's return of jeopardies. As described in prior filings, even after transmission of a FOC to CLECs, Qwest will frequently reject orders back to the CLEC and require the CLEC to submit a supplemental order.[13] For example, these jeopardies may require CLECs to correct an end user's name or address. But Qwest calls these rejects "jeopardies." In fact, WorldCom has learned that Qwest calls them "jeopardies for reject reasons," implicitly acknowledging that they are actually rejects. Qwest should not be transmitting any orders back to CLECs for submission of supplemental orders after

[13] WorldCom Comments, WC Docket No. 02-189 at 17; WorldCom Comments, WC Docket No. 02-148 at 12-14.

Qwest returns a FOC. Lichtenberg Decl. ¶ 33. No other ILEC engages in such a practice. Yet Qwest continues to do so.

Transmission of a jeopardy after a FOC, instead of a reject before a FOC, potentially can cause significant problems. Qwest has explained to WorldCom that once a FOC is transmitted, Qwest creates a service order in its back-end systems. When Qwest later transmits a "jeopardy for reject reasons," the service order is retained in its systems. If the CLEC supplements its order within four hours, Qwest releases the service order and allows it to complete. If the CLEC supplements its order after four hours have passed, Qwest creates a new service order. The original service order is cancelled manually. Lichtenberg Decl. ¶¶ 34-35.

But like all manual processes, this one sometimes fails. If the service order is not cancelled, the service order may complete despite the jeopardy, causing significant confusion as to who owns the account. Alternatively, the service order could remain hung up in Qwest's systems and cause difficulty with a CLEC's supplemental order. Lichtenberg Decl. ¶ 35.

In addition to these problems on Qwest's side of the interface, the return of jeopardies for reject reasons causes significant difficulties on the CLEC's side, as WorldCom has previously explained. Z-Tel, for example, had to modify its systems to treat jeopardies as rejects, so that its representatives knew to evaluate jeopardies to determine whether a correction was required to the original order. This modification was costly. Lichtenberg Decl., WC Docket No. 02-189 at ¶ 76. WorldCom is considering whether to undertake a similar modification as it readies its systems. One downside of doing so is that the combination of jeopardies and rejects makes it more difficult to track order status notices. In addition, because only some jeopardy notices require supplemental orders, CLECs must manually check each jeopardy notice to see if a supplemental order is required, adding unnecessary time and expense to the CLECs' tasks.

E. Qwest Returns Completion Notices Even When Orders Have Not Been Completed

Qwest has now confirmed what WorldCom previously suspected – Qwest "auto-completes" orders at the end of each day. Thus, Qwest returns completion notices at the end of the day regardless of whether the orders have actually been completed. WorldCom had previously determined that this was true for DSL orders,[14] but Qwest has now confirmed that it is true for UNE-P orders as well.[15]

This renders completion notices entirely worthless. The completion notice has no relationship to whether the order has actually been completed. It tells the CLEC only that the due date on the order has been reached, something of which the CLEC would have been aware even without the completion notice. Lichtenberg Decl. ¶¶ 37-38.

If a CLEC receives a completion notice when the order has not in fact been completed, the almost-certain result is that the customer will be double billed. The CLEC will begin billing the customer and Qwest will continue to bill the customer. In addition, the CLEC will believe that it is responsible for a customer's maintenance requests. Yet if the customer calls the CLEC and the CLEC submits a trouble ticket, Qwest will respond that the customer is not a CLEC customer. Lichtenberg Decl. ¶ 40.

The whole point of completion notices is to avoid just such difficulties. Establishing performance metrics to measure the timeliness of completion notices is useless if the notices themselves are not based on the completion of orders. Lichtenberg Decl. ¶ 39.

[14] WorldCom Comments, WC Docket No. 02-189, at 28-29; WorldCom Comments, WC Docket No. 02-148 at 25.
[15] Qwest still is trying to determine how many orders are impacted by this problem, but since EDI order volumes are extremely small, the full import of this problem will not be known until after WorldCom starts sending higher volumes of orders.

F. Qwest's Test Environment Does Not Mirror Production

Qwest's test environment is far worse than we previously understood. WorldCom has previously explained that Qwest's test environment, SATE, does not mirror production.[16] We focused on KPMG's findings that SATE did not provide the same error messages as were returned in production and does not include all products ordered in production. That remains the case. But even more important, SATE does not include the directory listing functionality used in production and does not include a test deck with any but the simplest order types.

WorldCom is using SATE in preparation for launch using its own OSS. But WorldCom has not been able to test directory listing functionality at all. SATE does not include the pre-order inquiry needed to access directory listing information. Thus, a CLEC has no way of ensuring through SATE that a directory listing inquiry will work correctly in production. Lichtenberg Decl. ¶ 42.

Further, because a CLEC cannot test directory listing functionality for pre-ordering, it cannot test directory listing functionality for ordering. The CLEC needs information obtained at the pre-order stage to be able to place a directory listing order. But the CLEC cannot access this information. This is a fundamental deficiency in SATE. Lichtenberg Decl. ¶ 43.

And Qwest has been unwilling to eliminate this deficiency. WorldCom requested that Qwest add directory listing functionality to SATE. Qwest said such functionality was scheduled to be included in subsequent versions of SATE. But Qwest would not add directory listing functionality to the current version of SATE – version 10.0. As a result, WorldCom has been unable to test this functionality, and its testing has been severely inhibited. Lichtenberg Decl. ¶ 44.

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[16] WorldCom Comments, WC Docket No. 02-148 at 22-23; WorldCom Comments, WC Docket No. 02-189 at 23-26.

WorldCom also has determined that the test scenarios Qwest has included in SATE include only the simplest possible order types. The test scenarios do not include retrieval of CSRs for any multi-line accounts, for example. They also do not include retrieval of directory information for non-published accounts, additional listings, or other complex listings. Indeed, of the fifteen pre-order test scenarios WorldCom ordinarily uses to test CSRs and directory listings, only one is included as a SATE test scenario. Lichtenberg Decl. ¶ 45.

At WorldCom's request, Qwest did agree to create the test scenarios WorldCom needed. But Qwest refused to make those test scenarios available to all CLECs without a request from each CLEC. Nor will Qwest tell the other CLECs that these test scenarios are available at all. Unless the CLEC has the experience that WorldCom has in developing OSS interfaces, they may be unaware that such scenarios exist and bear the consequences in production. Moreover, Qwest did not agree to include such test scenarios in all future versions of SATE, meaning that in future testing WorldCom will again have to go through the process of requesting these scenarios and waiting for Qwest to create them. Finally, and most importantly, the fact that only simple test scenarios are standard in SATE means that Qwest's internal testing is extremely limited. In the absence of routine testing of more complex scenarios, it is inevitable that problems will develop as new versions of interfaces are introduced. And it is important to remember that the complexity we are talking about here, such as multi-line customers, is quite common in the real world. Lichtenberg Decl. ¶ 46.

G. OSS Problems For Which There is Little New Information

WorldCom has previously documented a number of other critical deficiencies in Qwest's OSS. There is little new information regarding these deficiencies, so WorldCom will not repeat them at length. But it is important to remember that they too must be fixed:

Qwest Takes Too Long to Provision UNE-P Orders

Qwest takes significantly longer than other BOCs to provision basic UNE-P orders. A UNE-P order should be completed the same day it is sent, as is the case in every other region. Yet Qwest requires a minimum of three days to provision a UNE-P order if the customer is changing any features – something that occurs on all WorldCom Neighborhood orders because WorldCom offers a standard package of features. As we have explained previously, this is critical as mass market customers expect rapid provision of service.[17]

Qwest Manually Processes Too Many Orders

WorldCom has also previously explained that Qwest processes far too many orders manually and that Qwest has not shown it is capable of doing so without difficulty as ordering volumes increase.[18] That remains the case.

Qwest Is Deviating From Its Change Management Plan

WorldCom recently explained in its Reply Comments in the Qwest II proceedings that Qwest has begun implementing changes without providing proper notice to CLECs.[19] This is a serious problem to which Qwest has not offered any response.

II. THE COMMISSION SHOULD NOT FIND THAT QWEST IS IN COMPLIANCE WITH SECTION 272

Qwest has stated that the sole reason it was forced to withdraw its section 271 applications was questions surrounding its long distance affiliate's compliance with section 272 of the Act and Generally Accepted Accounting Principles (GAAP).[20] Qwest further alleges that its establishment of a new separate long distance affiliate "moots" the concerns regarding its

[17] WorldCom Comments, WC Docket No. 02-189 at 12-14; Lichtenberg Decl., WC Docket No. 02-189 at ¶¶ 52-53.
[18] WorldCom Comments, WC Docket No. 02-189 at 14-16.
[19] WorldCom Reply Comments, WC Docket No. 02-189 at 13-15.
[20] *See, e.g.,* "Qwest Communications to File Additional Information with the FCC on Long Distance Applications, " Qwest Press Release, Sept. 10, 2002; *See also* Qwest III Brief at 3-4.

previous long distance affiliate's accounting problems and that is applications should be granted expeditiously.[21] As a threshold matter WorldCom disagrees that Qwest's compliance with section 272 is the only dispositive question in these applications. As discussed above, Qwest's OSS contains complexities and deficiencies that impede competition and alone are grounds for denial of these applications.

Moreover, Qwest has not fashioned the simple and clean solution to its section 272 difficulties that it asserts it has. Qwest has created a new affiliate, QLDC, which Qwest claims has no historical accounting problems. If granted section 271 authority, Qwest plans to provide long distance service using QLDC until its restatement process is complete, at which time Qwest will merge QLDC with the old affiliate, QCC, and essentially begin providing long distance service through QCC. But Qwest's proposed solution is not as pristine as Qwest asserts.

To begin with, we note that there is no basis for concluding that QLDC will comply with GAAP. The Commission has long-stated that the "past and present behavior of the BOC applicant provides the best indicator of whether [the applicant] will carry out the requested authorization in compliance with section 272."[22] Unlike with prior BOC applications, here the affiliate was just created. Thus, there is no past behavior of QLDC itself to predict whether it will comply with GAAP. The only past behavior that can form the basis of a predictive judgment is Qwest's past behavior and that of its QCC affiliate. And neither Qwest nor QCC is GAAP compliant. Indeed, Qwest's current accounting procedures and policies continue to undergo review and restatement. Qwest's Chief Financial Officer has stated that it will take several months after completing its analysis of its accounting practices to implement internal

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21 Qwest Supplemental Brief at 5, WC Docket No. 02-314, filed Sept. 30, 2002.
22 *See, e.g.,* New York Order ¶ 402.

controls.[23] There is therefore no basis on which to predict that QLDC will comply with GAAP and have the internal controls designed to "prevent, as well as detect and correct, any noncompliance with section 272."[24] This is particularly so because Qwest's accounting policies *themselves* (and not just Qwest's compliance with established policies) may be improper, and it is entirely possible that QLDC inherited the same policies that currently are under review for their compliance with GAAP.

In establishing a new affiliate whose only purpose is to gain section 271 authority, Qwest essentially is attempting to perform an end-run around the requirements of the Act and the Commission's rules. Qwest makes clear that it has no intention of using QLDC for any length of time after it gains section 271 authority, and that as soon as possible it will start using its previous affiliate, QCC, to provide long distance. Specifically, Qwest has stated that establishing QLDC "means that for the short-term, Qwest will have two long-distance affiliates. QLDC will provide in-region services and QCC will continue to provide out-of-region long-distance…[o]nce Qwest can certify that QCC is compliant with generally accepted accounting principles (GAAP), the two long-distance affiliates will merge together. At that point, Qwest will sell long-distance services, in and out-of-region, through its own network."[25] It would be contrary to sound public policy for the Commission to approve such a tactic, because the section 272 affiliate that Qwest would have the Commission bless is not the affiliate that Qwest ultimately will use to provide long distance service. If the Commission nevertheless grants Qwest's section 271 applications, the Commission should require Qwest to seek explicit Commission approval before it "merges" QCC and QLDC and starts offering long distance service through QCC. The Commission, not Qwest, should be the party responsible for

[23] Qwest Aug. 26 *ex parte* at 2.
[24] Texas Order ¶ 398.

determining if and when Qwest may start offering long distance service using its QCC, which the Commission will never have determined to be in compliance with section 272.

III. QWEST'S SECRET DEALS VIOLATE THE CHECKLIST AND UNDERMINED THE INTEGRITY OF THE OSS TEST

WorldCom hereby incorporates by reference its previous comments on Qwest's failure to comply with section 252[26] and makes the following additional points. First, in its October 4 Memorandum Opinion and Order on what constitutes an interconnection agreement under section 252(a)(1), the Commission in key respects disagreed with Qwest's view on what needs to be filed.[27] As a result, Qwest may need to file additional agreements that it previously determined were outside the scope of section 252. Second, it appears that Qwest has not filed all of the agreements that fall even within its own definition of interconnection agreement. Indeed the New Mexico Commission said in its Order last week that it believes that "there may exist additional agreements that should be filed."[28] This Commission therefore must take particular care to make sure that Qwest has filed all relevant interconnection agreements.

The Commission in its October 4 Order disagreed with Qwest's interpretation of which interconnection agreements must be filed under section 252(a)(1) of the Act. To begin with, the Commission disagreed with Qwest and concluded that dispute resolution and escalation provisions should be filed.[29] But it appears that Qwest may not yet have filed all interconnection agreements containing such terms. Qwest stated in its Supplemental Reply Comments that detailed terms of the dispute resolution process are not within the scope of section 252.[30] Accordingly, Qwest must now file any such dispute resolution agreements that Qwest previously

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[25] Qwest Supplemental Brief, Brunsting Decl., Att. JLB-QLDC-15.
[26] WorldCom Comments WC Docket No. 02-148, Aug. 28.
[27] October 4 Order.
[28] New Mexico Commission Decision ¶ 297.
[29] October 4 Order ¶ 9.

believed it need not file. The Commission also disagreed with Qwest and concluded that all agreements that create ongoing obligations, including settlement agreements, must be filed.[31] It is not clear from Qwest's prior filings whether the standard it set for filing agreements in August included all settlement agreements with ongoing obligations. The Commission must therefore assure itself that all such agreements have been filed.

The Colorado Office of Consumer Counsel expressed concern about the possibility of ongoing violations, noting that the 11 agreements filed in August by Qwest were "pre-screened by Qwest alone according to criteria the companied deemed qualified them for filing."[32] We agree with the Colorado Office of Consumer Counsel that "[t]here may well be other agreements, oral or written, that Qwest should file in light of the FCC's ruling…these 11 late-filed agreements likely do not represent the universe of agreements that should be considered interconnection agreements under the Act."[33] The Commission must assure itself that Qwest has filed all settlement agreements with ongoing obligations and made them available for pick-and-choose.[34]

Second, Qwest does not appear even to have complied with its own standard in determining what agreements to file. Three recent state decisions find violations by Qwest.

In a thorough analysis, the Minnesota ALJ finds that in entering into secret deals that were not made available to competitors, Qwest knowingly and willfully violated sections 251 and 252 of the Act and caused substantial harm to competitors and their customers.[35] The ALJ finds that Qwest committed 25 individual violations by failing to file 25 distinct provisions in 12

[30] Qwest Supplemental Reply Comments at 12.
[31] October 4 Order ¶ 12.
[32] Colorado Office of Consumer Counsel Comments at 10.
[33] Colorado Office of Consumer Counsel Comments at 10.
[34] Although it appears from its website that Qwest has filed some settlement agreements, Qwest's position that it need not file such agreements strongly indicates that as a matter of course Qwest did not file settlement agreements with ongoing obligations.

separate agreements for interconnection and access to UNEs and services.[36] The ALJ further finds that Qwest has not taken "meaningful corrective action to remedy the harm caused by failing to file the specific agreements" and recommends penalties against Qwest. Indeed, the Minnesota ALJ states that "[b]ecause none of the provisions cited in the Complaint have yet been made available to other CLECs for pick and choose, the harm continues."[37]

In a final Order issued last week, the New Mexico Commission also found that Qwest violated the Act and the its rules, and otherwise made "transparency in the market impossible" by failing to file interconnection agreements.[38] The New Mexico Commission found that there were unfiled agreements with terms, rates, and conditions that clearly should have been filed, and, in not filing them, Qwest discriminated against CLECs.[39] In addition, the New Mexico Commission expressed concerns about other agreements that may exist but have not been filed.[40]

The Arizona Staff also recently issued a supplemental report and recommendation in which it concludes that in failing to file interconnection agreements in return for silencing CLECs that otherwise would have raised OSS and other concerns before the regulatory bodies, Qwest interfered with the section 271 regulatory process. As WorldCom emphasized in the Qwest I and Qwest II dockets, Qwest's silencing of Eschelon and McLeod – two of Qwest's biggest wholesale customers – most certainly contributed to Qwest's less-than-adequate OSS that WorldCom and others are experiencing today. WorldCom could not agree more with the Arizona Staff that "…concerns with Qwest's wholesale service provisioning would have been reflected in the record but for the nonparticipation of two CLECs" and that "[t]his type of

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[35] MN ALJ Decision ¶ 374.
[36] MN ALJ Decision ¶ 378.
[37] MN ALJ Decision ¶ 375.
[38] New Mexico Commission Decision ¶ 295.
[39] New Mexico Commission Decision ¶ 294.
[40] New Mexico Commission Decision ¶ 297.

information is critical in any investigation, but in particular the 271 investigation, where the Commission is required to perform a consultative role with the FCC on whether Qwest meets the requirements of Section 271 of the 1996 Act and the Competitive Checklist."[41] As WorldCom has explained in its previous filing on secret deals, there is little doubt that the testimony of Eschelon and McLeod could have proven critical. Despite the special OSS teams devoted by Qwest to Eschelon, Eschelon has detailed before this Commission a multitude of extremely serious OSS problems it is currently experiencing and that it was experiencing at the time of the state proceedings.[42] These issues include, for example, a huge error rate in the provisioning of features. They also include numerous problems associated with Qwest's failure to adopt industry standard migrate-as-specified ordering process – the very issue on which WorldCom has been focused before this Commission. Although WorldCom did not know of this issue until after it entered the market in April, Eschelon had been complaining to Qwest about this issue for more than a year. But Eschelon was unable to bring it up during state proceedings as a result of its secret deal.

In addition to the impact on state OSS evaluations, the secret deals themselves violated section 252, as the Minnesota ALJ and New Mexico Commission found. Indeed, both pointed to the possibility that other agreements exist that have not been filed. Perhaps the best evidence of this is the astounding agreement described by the Minnesota ALJ -- an oral agreement in which Qwest provided McLeod a 10 percent discount on all products including UNEs ordered across the region, and that Qwest attempted to conceal through a separate written agreement. The

[41] Arizona Supplemental Staff Report and Recommendation at 15.

[42] *See, e.g.,* Eschelon Comments, WC Docket No. 02-189, at 10, stating that as it has started placing UNE-P orders with Qwest again, conversions and migrations are still resulting in the same types of customer-affecting problems that occurred when Eschelon first tried to launch UNE-P in 2000. *See also id.* at 14, stating that Qwest continues to deny access to the Remote Access Forwarding switch feature with UNE-P, even though Eschelon has been raising this issue for 1 ½ years.

Minnesota ALJ found that Qwest knowingly and intentionally violated section 252 by not filing this agreement (making the same finding for the other agreements at issue as well). The New Mexico Commission also expressed special concern about this oral agreement, suggesting that this agreement be investigated for compliance with the PUC's rules and the possible imposition of fines.[43]

In its August filing of interconnection agreements in the states at issue here, Qwest did not file the McLeod agreement even though it was regional in nature. Thus, Qwest clearly has not yet come into compliance with section 252. Moreover, given this oral agreement, as well as Qwest's more general tendency to make oral agreements as a means of hiding illegal activity,[44] it is quite possible that there are other oral interconnection agreements that have not yet been uncovered. The Commission must investigate and determine that there are not before permitting Qwest to provide long distance service.

Qwest had pointed out in Supplemental Reply Comments in August that the three state commissions with active unfiled agreements dockets -- Arizona, Minnesota, and New Mexico -- had yet to make any determinations on the secret agreements issues. Now they have. All three have found serious violations. Before approving Qwest's applications, this Commission should make certain that all interconnection agreements have in fact been revealed by Qwest, approved by the state commissions, and made available for pick and choose purposes.

IV. QWEST MUST REDUCE ITS UNE RATES

As discussed in WorldCom's comments and reply comments in WC Docket Nos. 02-148 and 02-189, Qwest must reduce its recurring unbundled network element rates in all of the states in question. WorldCom incorporates by reference the discussion in our comments explaining

[43] New Mexico Commission decision ¶ 298.
[44] *See infra*, n.1

that Qwest's pricing is excessive and causes a price squeeze because Qwest uses a standard minutes-of-use assumption in each of the states to derive switch usage rates, rather than using state-specific minutes of use, and that Qwest's line sharing rate should be zero.[45] We attach hereto a revised price squeeze analysis to reflect Qwest's recent reductions in its switching rates in Idaho, Iowa, Montana, Nebraska, North Dakota, Utah, and Wyoming and shared transport rate in Washington.[46] As seen in the analyses, the effect of Qwest's recent reductions is minor.

V. QWEST MUST PROVIDE WORLDCOM WITH CUSTOMIZED ROUTING

WorldCom has explained at length Qwest's clear violation of checklist items 2 and 7. Qwest refuses to provide the customized routing to which WorldCom is entitled under the Act and under Commission precedents. Qwest's refusal prevents WorldCom from routing OS/DA calls to its own platform competing to provide customers better and cheaper OS/DA services. We have previously explained why this was so and will not repeat it here.[47] Suffice it to say that nothing has changed, and this checklist violation alone should lead to rejection of Qwest's application.

[45] *See* WorldCom Comments, WC Docket No. 02-148 at 27-29, 31-34; WorldCom Reply Comments, WC Docket No. 02-148 at 16-19; WorldCom Comments, WC Docket No. 02-189 at 30-35; WorldCom Reply Comments, WC Docket No. 02-189 at 17-19.
[46] Oct. 7 Letter.
[47] WorldCom Comments, WC Docket No. 02-189 at 36-40; WorldCom Comments, WC Docket No. 02-148 at 34-37.

CONCLUSION

Qwest's section 271 applications for Colorado, Idaho, Iowa, Montana, Nebraska, North Dakota, Utah, Washington, and Wyoming should be denied for the reasons described above.

Respectfully submitted,

_______/s/_____________
Lori Wright
Associate Counsel
WorldCom, Inc.

Marc A. Goldman
JENNER& BLOCK, LLC
601 13th Street, N.W., Suite 1200
Washington, D.C. 20005

(202) 639-6000

Lori Wright
Lisa B. Smith
WORLDCOM, INC.
1133 19th Street, N.W.
Washington, D.C. 20036

(202) 736-6468

Certificate of Service

I, Lonzena Rogers, do hereby certify, that on this fifteenth day of October, 2002, I have served a true and correct copy of WorldCom, Inc.'s Comments in the matter of WC Docket No. 02-314 on the following via electronic transmittal:

Marlene H. Dortch
Secretary
Office of the Secretary
Federal Communications Commission
445 Twelfth Street, SW
Room TW-B204
Washington, DC 20554

Janice Myles
Wireline Competition Bureau
Federal Communications Commission
jmyles@fcc.gov

Gary Remondino
Wireline Competition Bureau
Federal Communications Commission
gremondi@fcc.gov

Michael Carowitz
Wireline Competition Bureau
Federal Communications Commission
mcarowitz@fcc.gov

Bruce Smith
Colorado Public Utilities Commission
bruce.smith@dora.state.co.us

Ryan Harsch
Telecommunications and Media Section
Antitrust Division
U.S. Department of Justice
ryan.harsch@usdoj.gov

Steve Vick
Utility Division Administrator
Montana Public Service Commission
svick@state.mt.us

Julie Orchard
Utah Public Service Commission
jorchard@utah.gov

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
jjewell@puc.state.id.us

Penny Baker
Iowa Utilities Board
penny.baker@iub.state.ia.us

Stephen G. Oxley
Secretary and Chief Counsel
Wyoming Public Service Commission
soxley@state.wy.us

Chris Post
Nebraska Public Service Commission
cpost@mail.state.ne.us

Patrick J. Fahn
Chief Engineer
Public Utilities Division
North Dakota Public Service Commission
pjf@oracle.psc.state.nd.us

Melissa Newman
Qwest Communications
mxnewma@qwest.com

Hance Haney
Qwest Communications
hhaney@qwest.com

Peter Rohrbach
Marc J. Rosenstein
Linda Oliver
David L. Sieradzki
Hogan and Hartson, LLP
Counsel for Qwest Communications
mjrosenstein@hhlaw.com

C. Jeffrey Tibbels
Hogan and Hartson, LLP
cjtibbels@hhlaw.com

Qualex International
qualexint@aol.com

Washington Utilities & Transportation Commission
records@wutc.wa.gov

s/ Lonzena Rogers